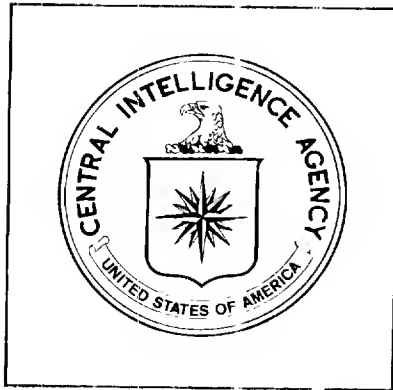


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STAFF NOTES:

Latin American Trends

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No. 0528/75

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LATIN AMERICAN TRENDS

This publication is prepared for regional specialists in the Washington community by the Western Hemisphere Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Venezuela: Setting the Goals

A recently appointed director of Petroven, the holding company that will administer the 19 foreign petroleum companies after January 1, 1976, has given some insight into the philosophy that will guide the new organization.

Alirio Parra, who is closely connected with key officials of the Perez administration, told an embassy officer on September 9 that there would be "no political invasion" of Petroven and "not one single directorship of the operating companies will go to a politician." He said every effort will be made to mold Petroven into an efficient oil company that can compete for markets. Parra stressed that local expertise will be used, and the staff will be kept small--probably no more than 100 persons. A major effort will be made to see that it does not become an overgrown twin of the national oil company, CVP, which has been widely criticized for its politicization and inefficiency since its founding over a decade ago. He said that Petroven intends to transform CVP into an efficient organization by completely overhauling its management and upgrading the staff.

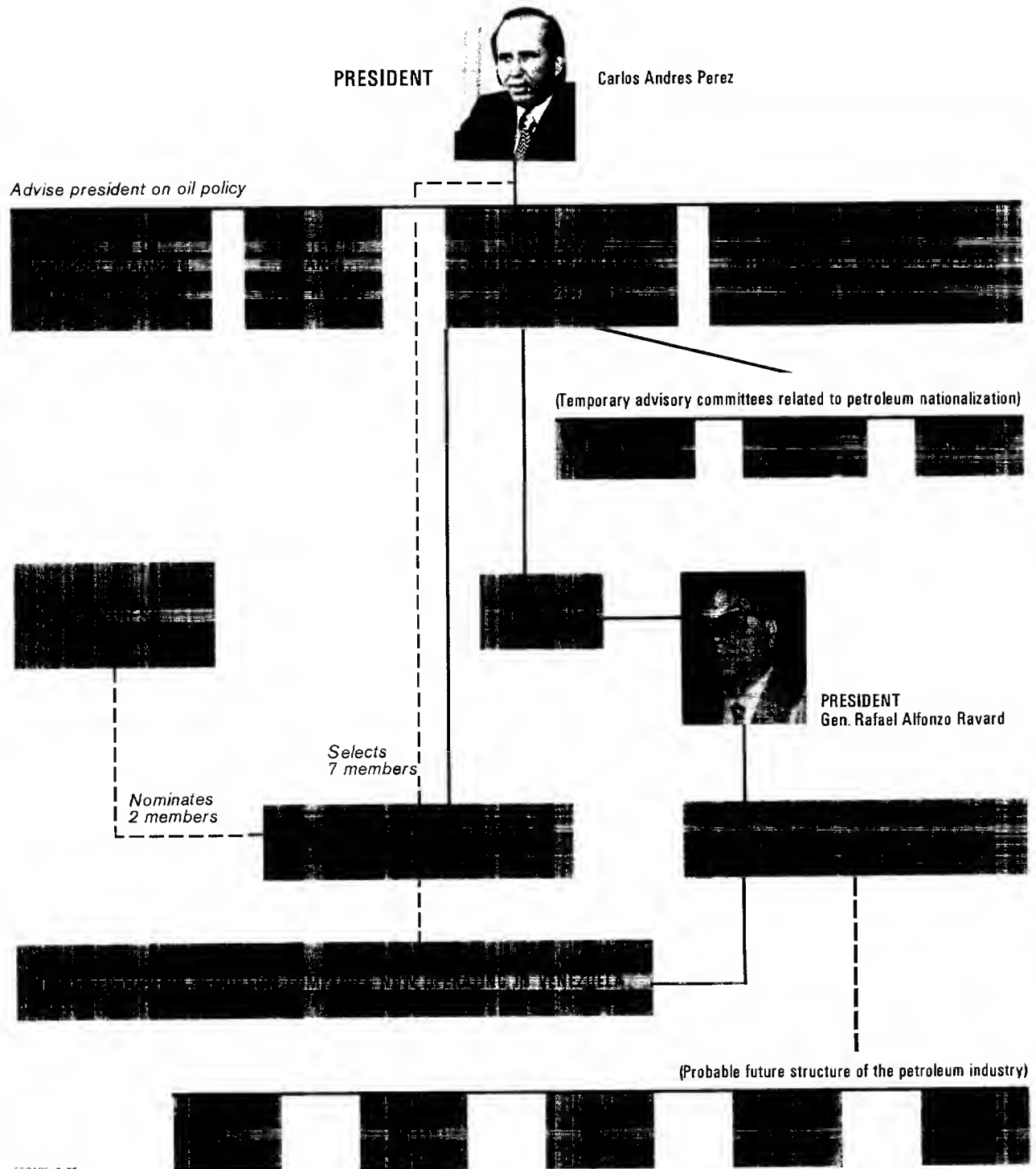
In the months ahead several of the small marginal companies--both foreign and locally owned--will be absorbed into larger operating units, according to Parra. Among the more immediate candidates for this treatment are Mito Juan, Talon, and Las Mercedes oil companies--owned by prominent Venezuelans--and US firms such as El Paso/Venezuela Oil, Continental, Amoco, and Charter Oil.

Later--perhaps in two to four years--the remaining firms will probably be regrouped into five large companies. The holdings of Shell, Exxon, Mobil and Gulf

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VENEZUELAN OIL INDUSTRY



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would remain intact, though under new names and Venezuelan management; the fifth company would consist of the holdings of the smaller firms including the CVP. (See September 17, 1975 TRENDS).

High government officials including President Perez are increasingly concerned that Venezuela will not be able to manage the oil industry efficiently after nationalization. The government fears that labor and marketing problems will develop and efforts to encourage the search for new petroleum reserves and to obtain new technology will fail. The demonstrated inept management in such state-owned industries as the scandal-ridden petrochemical industry have added to the general apprehension.

For this reason, the government believes it will need the assistance and the participation of the foreign oil companies in the nationalized industry for some time to come. Parra and other government officials have attempted to give the impression that the Perez government was not rushing headlong into nationalization but was acting at a measured pace. While this may be the strategy, there is little evidence that the government has yet formulated a national petroleum policy. With little more than three months remaining before the official turnover of company assets to the state, only the general outlines of the future industry have been determined and Venezuelan officials concerned with setting policy seem to have little conception of what will be needed to transform them into specific guidelines. (CONFIDENTIAL)

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Venezuela: "Brotherhood of the Sword"

General Felipe Parraga Nunez has been relieved as director of plans and operations for the army general staff as a result of an apparently offhand remark he made in Uruguay. Parraga reportedly commented that "irrespective of their various political tendencies, all the soldiers of the hemisphere are joined by a basic brotherhood of the sword." Coming in the wake of well-publicized events in Peru and Ecuador, the statement immediately touched off a wave of speculation in the Caracas press about the Venezuelan military's role in society and its attitude toward the Perez government. Congress president and Accion Democratica leader Gonzalo Barrios promptly cautioned the press against speculating about Parraga's remark, and other government leaders voiced their belief in the strength of the country's democratic traditions. Defense Minister Homero Leal Torres, reportedly embarrassed by the episode, maintained a discreet silence.

This episode can generally be regarded as a tempest in a teapot but it does reflect the acute sensitivity of Venezuelan politicians to reports of military discontent and to indications that the armed forces are actively involving themselves in politics. Although there are undoubtedly officers who are unhappy with the present government and might like to alter it, their interventionist designs are frustrated by Perez' wide popular support--even in the military--and the fact that, for the most part, things are going well for Venezuela. Furthermore, President Perez closely monitors military attitudes and has several times acted promptly to remove some of the causes of military discontent.

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For example, a proposal to establish a national police force including the National Guard has been shelved. The military had expressed concern that such a force could be used as a counter-balance to the present monopoly of power enjoyed by the armed forces. More recently, Perez finessed the problem of selecting a new defense minister and controlling inter-service jockeying for that position by keeping the incumbent in the job at least until the end of the year.

Given Perez' strong position generally, there is no foreseeable prospect of the military's becoming unhappy enough with the administration to consider intervening in the present government. Should the politicians make some grievous error, however, such as mishandling the nationalization of the petroleum industry, then the military's attitude toward the government could become a critical factor. (CONFIDENTIAL/NO FOREIGN DISSEM)

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Guyana: Dissent From The Pulpit

The Roman Catholic and Anglican Bishops in Guyana have publicly joined critics of Prime Minister Burnham's drive to transform the country into an authoritarian socialist state.

In a Pastoral letter in the church-controlled Catholic Standard, Bishop Benedict Singh zeroed in on "socialists who restrict freedom so much by government control that the people are no better off than under capitalism." He went on to criticize the suppression of "worthwhile expressions of opinion" in the government-controlled media, the credibility gap between the people and the country's leaders, and the lack of representative local government. Singh concluded with an admonition to Guyanese "to speak up and denounce injustice."

Singh has expressed his misgivings about developments in Guyana privately and has avoided an open quarrel with the government until now. He apparently perceived Burnham's recent announcement that all church-owned schools would be taken over next year as a direct and serious threat to the future of the church in Guyana. Singh's colleague, Anglican Bishop Knight did not directly criticize the government's actions, but he warned of the possible evils of socialism.

Although the bishops' remarks were given relatively little coverage in the press, they obviously nettled Prime Minister Burnham, who attacked right-wing critics in a still unpublished speech to party leaders in late August. Although criticism from two of the country's major religious leaders is disquieting to the government, their statements are obviously insufficient to detract Burnham from pursuing his socialist goal. Involvement of the still quiescent and dispirited leaders of the East Indian community and of additional middle class blacks will be

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necessary before such criticism gives Burnham pause. At present, there is little likelihood that those disparate groups will join forces or that a leader can be found to marshal opposition to the Burnham government. (CONFIDENTIAL)

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Latin America: NAMUCAR in Trouble

The recently formed eight-nation Caribbean Multi-national Merchant Fleet (NAMUCAR) is already encountering problems. A Venezuelan official claims that only Cuba and Venezuela have thus far paid their share of an assessment due on June 30 to finance initial administrative operating expenses. He referred to "serious disagreement" among the charter members and said many of them obviously expected Venezuela to foot the bill.

At the time of its organization last May, supporters believed that the fleet would foster regional co-operation and provide additional, and possibly cheaper, freight service. Not all Latin American nations shared that concept, however, and several openly opposed the fleet on the grounds it would compete with existing or planned national fleets; others objected to Cuba's participation. Trinidad and Tobago's Premier Eric Williams took the strongest stand when he charged that the project was a vehicle for "recolonization" of the Caribbean by Mexico, Venezuela, and Colombia.

Although present financial difficulties may still be overcome, it will be many years before trained maritime personnel are available and the fleet becomes effective enough to challenge foreign ship operators in the region. Further, the Venezuelan government is undoubtedly irritated by the attitude of some Latin states that its massive oil wealth obliges it to fund regional ventures. Unless the financial problems are resolved, the Perez government may begin to reassess its support for the fleet. (CONFIDENTIAL)

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Cuba: Penetrating the News Media in Latin America

Havana is making a concerted effort to expand its influence in the Latin American news media at the expense of the US. In the past year, the Castro regime has:

- opened new field offices in three countries for its news and propaganda agency, PRENSA LATINA;

- inaugurated the world's only press service in the Quechua language;

- launched MERIDIANO 80, a fortnightly journal of news and features tailored for Latin American audiences;

- pressed vigorously for the formation of an organization of Latin American journalists that would exclude any US news agency personnel or "pro-imperialist" journalists;

- campaigned broadly against the so-called ideological penetration of Latin America by US news and cultural media.

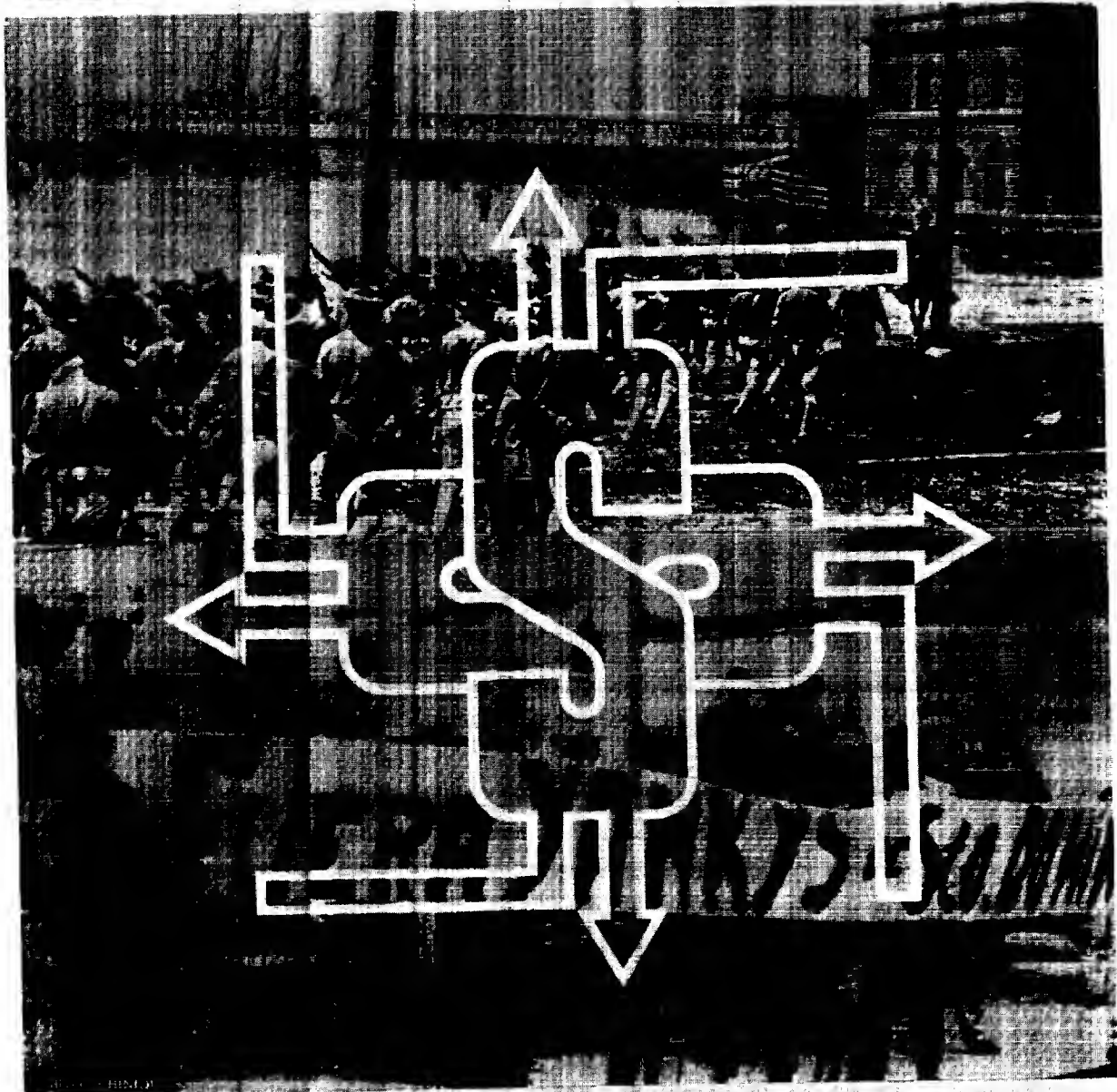
The Cuban goal is clearly political--to discredit the US and minimize US influence. MERIDIANO 80, for example, apparently has the primary purpose of portraying the US in the worst light. In a typical issue, eleven of the twelve articles were devoted either entirely or in part to disparaging the US. The one remaining article, comprising one page, was a laudatory account of the state of public health in Cuba. The journal also included full-page advertisements for Cubana Airlines, tourist trips to Cuba, and a PRENSA LATINA children's publication aimed at countering the "insidious" influence of Sesame Street, Popeye, and other US productions that are popular in Latin

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MERIDIANO 80



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America. So far, the distribution of MERIDIANO 80 is limited to Mexico, Venezuela, Panama, Colombia, and Peru with a total circulation of about 20,000.

PRENSA LATINA, which functions as an intelligence collection agency as well as a propaganda dissemination organization, has added offices in Ecuador, Colombia, and Jamaica to its branches in Argentina, Mexico, Peru, Panama, and Venezuela, and has stringers in many other Latin America capitals. Moreover, following the announcement in Lima that Quechua would also be recognized as a national language, PRENSA LATINA in June began to intersperse news items in Quechua in its press transmissions to Lima. The half dozen items per day so far are translations of items also transmitted in Spanish and do not contain original material. Discredited in the early and mid 1960s as a biased and amateurish press agency, PRENSA LATINA has acquired considerable professional polish in intervening years and has improved the quality of its reporting markedly. Although still obviously biased, it is being accepted as a legitimate news source by an increasing number of newspapers and broadcasting stations in much of Latin America.

PRENSA LATINA's deputy director, Carlos Mora Hernan, together with Baldomero Alvarez Rios of the Cuban Journalists Union, represented Cuba at a meeting held in Lima in August to make preparations for the First Congress of Latin American Journalists scheduled for October 9 to 12. At the Congress, a new journalists' organization will be formed to compete with the Inter-American Press Association, which Havana views as a tool of the CIA because it includes newsmen and women from the US press. The new professional group--to be called the Latin American Journalists' Federation--will, according to the Cuban Communist Party newspaper, be "inspired by the criteria of national liberation, sovereignty, and economic redemption for the people of Latin America."

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Delegations from 23 countries are expected to attend the Congress; although it ostensibly is to be a meeting of Latin American journalists, representatives from at least four English-speaking Caribbean nations will be included, and a delegation from the Prague-based International Organization of Journalists will be on hand. The Congress' organization committee is headed by Venezuelan Senator Eleazar Diaz Rangel, who, like Chile's exiled Hernan Uribe, Mexico's Luis Jorda, Peru's Genaro Carnero Checa, and others at the August meeting, has close ties with Havana. The Cubans have been working to form the new press group since last October and will exert strong behind-the-scenes influence when it is finally formed. (SECRET)

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Cuba's Ties to Angolan Rebels

The Castro regime's support for revolutionary groups in Latin America is at an all-time low, but Havana continues to demonstrate its revolutionary commitment elsewhere. One example is its support to the pro-Soviet Popular Movement for the Liberation of Angola (MPLA). In this enterprise Havana cooperates closely with Moscow.

The Castro government first demonstrated its support for the MPLA by providing guerrilla training and political orientation in Cuba as early as 1961. Since then, the flow of trainees has varied depending on the degree of warmth in Havana's relations with the MPLA at a given time. The 40 who received instruction in 1962 may have been a representative group. This training is likely to continue, but on a very small scale.

In mid-1965 Cubans apparently began to work with the MPLA in Congo (Brazzaville). Of the several hundred Cuban military advisers who trained the local militia and staffed the president's security guard, some also provided training for the paramilitary forces of the MPLA. In Cabinda and Angola, a few Cubans participated in MPLA guerrilla operations, and one was reportedly killed in Cabinda in April 1966.

Havana also supplied material support in the form of food, clothing, and even Soviet small arms.

Reports of Cuban involvement with the MPLA now include the following activities:

- Some 50 Cubans cooperate with Soviets in training MPLA cadres in Congo at Dolisie and in Angola at Massango and Massangano.

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- Cuban doctors and medical technicians serve with the MPLA and probably staff medical facilities along the Cabinda-Congo border.
- A handful of Cuban advisers serve in combat with MPLA units.
- Cuban technicians run the former Portuguese airbase at Saurimo in Angola. (SECRET/NO FOREIGN DISSEM/CONTROLLED DISSEM)

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Argentina: Minister With Two Portfolios

Angel Robledo, who currently is both foreign minister and minister of interior, has become one of the key political figures in Argentina.

Robledo is a moderate Peronist who first attained national prominence as minister of defense, a post he handled with distinction from May 1973 to August 1974, when he resigned following a dispute with the then powerful secretary of the president and social welfare minister, Jose Lopez Rega. During his term Robledo quickly earned the respect of the military high command, although he had no previous experience in national security affairs. He then served as ambassador in Mexico and briefly in Brazil before he was named foreign minister on August 11, 1975.

Since his return to the cabinet, Robledo has sought to strengthen relations with other members of the political coalition that returned the Peronists to power, and with major opposition groups in Congress. His background as proven opponent of Lopez Rega and his close ties to provisional Senate President Italo Luder--according to one embassy source they have been friends since student days--have undoubtedly served him well.

Following President Peron's departure for a month's vacation on September 14, Acting President Luder peremptorily named Robledo to replace Vicente Damasco as minister of interior when the retired army colonel resigned after an argument with Luder on September 15. Robledo will eventually have to give up the Foreign Ministry to devote full attention to his duties as interior minister, which include conducting national elections and suppressing terrorism.

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At this point Robledo appears to be an astute tactician content to cooperate with Acting President Luder; he has not indicated that he has presidential aspirations. His position, however, could make him de facto "prime minister" if President Peron returns to office. (CONFIDENTIAL)

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Paraguay's Opposition Parties: The Weak Get Weaker

In recent months Paraguay's already anemic opposition political parties have been further weakened by government harassment, their own dearth of effective leadership and their inability to decide on a strategy for next month's municipal elections. Their continuing decline practically guarantees that President Stroessner's eventual successor will come from the military or the ruling Colorado Party.

The chief target of the government's harassment has been the Radical Liberal Party, the largest legal opposition group. Within the last five months one of its congressional leaders was forced to withdraw from politics because of criminal charges brought against him, the party president was accused of being a Marxist, and the party vice president was briefly jailed for publishing an allegedly libelous article. These developments have put the Radical Liberals on the defensive and fostered some reluctance on their part about participating in the municipal elections. In the 1973 presidential elections the Radical Liberals received only 13 percent of the vote and it is doubtful that they can match that performance next month.

The government's objective in repressing the party is to see it eventually displaced by the smaller and less organized Levi Liberal Party. In pursuit of this goal, the government is planning to provide some convert funding to the Levi Liberals for the October elections.

The most pathetic case among the opposition parties is the minuscule Revolutionary Febrerista Party, which is composed of middle and upper-class businessmen and intellectuals in Asuncion. This mildly socialist group is undecided about participating in the elections. The

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Febreristas received 2.6 percent of the vote in the 1968 national elections, the most recent in which they participated. The party's sorry state was underscored at its annual convention in early August, when it was forced to select a reluctant 77-year-old party stalwart as president because most of its younger, more attractive leaders were either in prison or in exile.
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